

Particulars	Debit Rs.	Credit Rs.
Sundry Debtors	62,000	
Return Outwards		3,000
Loan from Bank		20,000
Wages	40,970	
Return Inwards	2,780	
Purchases	2,69,590	
Sales		3,50,430
Commission Received		5,640
Rent and Tax	5,620	
Stock (01.01.2013)	89,680	
Salaries	11,000	
Travelling Expenses	1,880	
Insurance	400	
Cash in Hand	500	
Cash at Bank	19,000	
Repairs	3,370	
Interest on Loan	5,360	
Bad Debts	3,400	
Sundry Creditors		66,190
Furniture and Fittings	8,800	
	<u>5,74,700</u>	<u>5,74,700</u>

APRIL/MAY 2023

## GOCM25B/DOCM25B — ELEMENTS OF ACCOUNTING

Time : Three hours

Maximum : 75 marks

### SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

1. What is accounting?
2. Explain business entity concept.
3. What is Ledger?
4. What do you mean by Trial Balance?
5. What is Purchase Return Book?
6. What is meant by error of posting?
7. What is Trading Account?
8. State the meaning of Depreciation.
9. Give journal entries for the following:
  - (a) Mr X commenced business with a capital of Rs.500000.
  - (b) Paid to Mohan Rs.15000.
10. Rectify the errors:
  - (a) Rs.12,150 received from Ramu was posted to the debit of his account.
  - (b) Sold old furniture for Rs.3,500 passed through the sales book.



SECTION B — (5 × 5 = 25 marks)

Answer ALL questions.

11. (a) State the rules of accounts with suitable examples.

Or

- (b) Explain any four accounting concepts

12. (a) The following occurred during the month of March 2020.

- 02 Purchased Furniture for Rs.12,000.  
05 Spent Rs.5,000 for general expenses  
10 Received cash from Sundar Rs.14,000  
15 Purchased goods worth Rs.25,600 from Arun  
20 Sold goods for Rs. 18,600 for cash  
25 purchased goods from Asha Rs.15,525

Journalise the above transactions.

Or

- (b) State the purpose of preparing Ledger accounts.

13. (a) Prepare a Trial Balances of Mr. Karthik as on 31<sup>st</sup> December 2016.

	Rs.		Rs.
Cash in Hand	50,000	Capital	8,40,000
Cast at Bank	1,69,400	Building	2,30,000
Salaries	1,88,000	Machinery	1,20,000
Rent	96,000	Furniture	22,000
Commission Paid	2,800	Motor Car	1,36,000
Rent and Taxes	5,200	Purchases	1,88,000

2

2767

- (c) Discount for Rs.4500 received was posted to the debit of discount account.  
(d) Rs.6,165 paid for Repairs to car was debited to machinery account as Rs.3,915.  
(e) Rs.9,000 paid to J. Sathish was debited to R. Sathish account.

Give journal entries to rectify the above errors and ascertain the amount transferred to Suspense Account on 31<sup>st</sup> May 2016 by showing the Suspense Account, assuming that it is balanced after the above corrections.

20. The following is the trial balance of Ms Dora. Prepare the Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2013 and the Balance Sheet as on that date after making the following adjustments.

- (a) Stock on hand on 31<sup>st</sup> December 2013 was Rs. 1,25,000  
(b) Rs.300 were outstanding for wages  
(c) Insurance prepaid amounted to Rs.80  
(d) Commission accrued but not received Rs.250  
(e) Depreciation plant and machinery by 10%

Trial Balance as on 31.12.2013

Particulars	Debit Rs.	Credit Rs.
Capital Account		1,29,440
Drawings Account	11,550	
Bills Receivable	9,500	
Plant & Machinery	28,800	

7

2767



18. Prepare a Three -Column Cash Book From the following transactions.

Date	Particulars	Rs.
01.04.2012	Introduced capital	10,000
01.04.2012	Deposited cash into bank	8,000
04.04.2012	Purchased machinery-payment made by cheque	6,000
10.04.2012	Purchased furniture through cheque	2,000
15.04.2012	Purchased goods through cheque	900
18.04.2012	Withdrew from bank for office use	200
20.04.2012	Sold goods to Buji on credit	1,600
22.04.2012	Deposited cash into bank	600
25.04.2012	purchased goods from Dora on credit	2,000
26.04.2012	Sold goods — payment received in cheque being deposited on the same day	2,000
27.04.2012	Paid Dora by cheque in full settlement of his account	960
	Discount	40
30.04.2012	Received from Patru in settlement of his account	2,450
	Discount	50
31.04.2012	Withdrew cash from bank for personal use	200

19. Rectify the following errors:

- Rs. 12,150 received from Rajesh was posted to the debit of his account.
- Rs.2,250 being purchase returns were posted to the debit of purchase account.

	Rs.		Rs.
Bad Debts	6,400	Sales	3,92,000
Insurance	4,800	Sundry Debtors	32,400
Sundry Creditors	1,600	Reserve for Doubtful Debts	14,600
		Opening Stock	1,72,000

Or

(b) Prepare petty cash book on imprest system from the following transactions:

Date	Particulars	Rs.
01.06.2015	Received for petty cash payments	2,000
02.06.2015	Paid for Postage	160
05.06.2015	Paid for Stationery	100
08.06.2015	Paid for Advertisement	200
12.06.2015	Paid for Wages	80
16.06.2015	Paid for Carriage	60
20.06.2015	Paid for Conveyance	88
25.06.2015	Paid for travelling expenses	320
27.06.2015	Paid for postage	200
28.06.2015	Wages to office cleaner	40
30.06.2015	Paid for Telegrams	80
30.06.2015	Sent registered notice to landlord	12

14. (a) Rectify the following errors.

- A customer's bill for Rs.3,500 for the erection of a store room was debited to repairs account
- A cheque for Rs. 4,500 received Sathik was dishonoured and debited to allowance account.



- (iii) Salaries paid for the firms workers for making certain additions to machinery amounting to Rs.7,500 were posted to salaries account.
- (iv) Goods value for Rs.3,500 returned by Sheik were include is stock but not entried in the books.
- (v) A sum Rs.5,000 drawn by the proprietor was debited to travelling expenses account.

Or

- (b) How do you classify errors?

15. (a) The sundry debtors on 31<sup>st</sup> December 1995 amount to Rs 40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for 3,000 are doubtful and are estimated to realise two-thirds of the amount and the debtors for Rs. 1,000 are bad. Make a provision for doubtful debts.

Or

- (b) Prepare a balance sheet from the following given below :

Particulars	Rs.	Particulars	Rs.
Capital	2,00,000	Bills Receivable	20,000
Bank Overdraft	1,20,000	Land and Building	60,000
Salaries Outstanding	70,000	Plant and Machinery	80,000
Wages Outstanding	50,000	Furniture and Fixtures	1 00,000
Net Profit	1,00,000	Stock	1 20,000
Drawings	40,000	Cash in Hand	1 10,000

Particulars	Rs.	Particulars	Rs.
Bills Payable	80,000	Cash at Bank	90,000
Sundry Creditors	1,00,000	Sundry Debtors	1,00,000

### SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Describe the various accounting conventions.
17. Journalise the following transactions in the books of Suresh.

Jan.

2010

- 1 Suresh commenced business with a capital of Rs.8,50,000
- 3 Purchased furniture for office Rs.30,000
- 8 Deposited cash into bank Rs. 1,50,000
- 10 Purchased goods Rs.1,25,000 for cash
- 13 Withdrew cash from bank for office use Rs.25,000
- 15 Telephone charges paid Rs.1,500
- 17 Dividend received in cash Rs.2,000
- 18 Sold HP printer for cash Rs.17,500
- 19 Purchased motor car from Prem Rs.80,000
- 28 Land sold to Karthick Rs.83,500
- 30 Paid wages Rs.12,500, commission Rs.24,000 and conveyance charges Rs.2,200